



# House of Representatives

General Assembly

**File No. 91**

February Session, 2014

House Bill No. 5300

*House of Representatives, March 25, 2014*

The Committee on Aging reported through REP. SERRA of the 33rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT CONCERNING NURSING HOME NOTIFICATIONS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 19a-528a of the general statutes is repealed and  
2 the following is substituted in lieu thereof (*Effective October 1, 2014*):

3 For any application of licensure for the acquisition of a nursing  
4 home filed after July 1, 2004, any potential nursing home licensee or  
5 owner shall submit, in writing, a change in ownership application with  
6 respect to the facility for which the change in ownership is sought.  
7 Such application shall be prescribed by the Commissioner of Public  
8 Health and include such information as the commissioner deems  
9 necessary. The first page of the application shall include the following  
10 statement: "NOTICE: The State of Connecticut values the quality of  
11 care provided to all of our residents. Please know that any nursing  
12 home licensee, owner or officer, including, but not limited to, a  
13 director, trustee, limited partner, managing partner, general partner or  
14 any person having at least a ten per cent ownership interest in the  
15 nursing home or the entity that owns the nursing home, and any

16 administrator, assistant administrator, medical director, director of  
17 nursing or assistant director of nursing, may be subject to civil and  
18 criminal liability, as well as administrative sanctions under applicable  
19 federal and state law, for the abuse or neglect of a resident of the  
20 nursing home perpetrated by an employee of the nursing home.". The  
21 application shall also include [such information as the Commissioner  
22 of Public Health deems necessary and] whether such potential nursing  
23 home licensee or owner (1) has had three or more civil penalties  
24 imposed through final order of the commissioner in accordance with  
25 the provisions of sections 19a-524 to 19a-528, inclusive, or civil  
26 penalties imposed pursuant to the statutes or regulations of another  
27 state, during the two-year period preceding the application, (2) has  
28 had in any state sanctions, other than civil penalties of less than twenty  
29 thousand dollars, imposed through final adjudication under the  
30 Medicare or Medicaid program pursuant to Title XVIII or XIX of the  
31 federal Social Security Act, 42 USC 301, as from time to time amended,  
32 or (3) has had in any state such potential licensee's or owner's  
33 Medicare or Medicaid provider agreement terminated or not renewed.  
34 In the event that a potential nursing home licensee or owner's  
35 application contains information concerning civil penalties, sanctions,  
36 terminations or nonrenewals, as described in this section, the  
37 commissioner shall not approve the application to acquire another  
38 nursing home in this state for a period of five years from the date of  
39 final order on such civil penalties, final adjudication of such sanctions,  
40 or termination or nonrenewal, except for good cause shown.

41       Sec. 2. (NEW) (*Effective October 1, 2014*) The statement that the  
42 Commissioner of Public Health is required to include in change in  
43 ownership applications pursuant to section 19a-528a of the general  
44 statutes, as amended by this act, shall not be construed as expanding  
45 or otherwise affecting the liability of nursing home licensees, owners  
46 or officers, including, but not limited to, a director, trustee, limited  
47 partner, managing partner, general partner or any person having at  
48 least a ten per cent ownership interest in the nursing home or the  
49 entity that owns the nursing home, or the liability of any  
50 administrator, assistant administrator, medical director, director of

- 51 nursing or assistant director of nursing, that may exist at law for the  
52 abuse or neglect of a resident of the nursing home.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014</i>	19a-528a
Sec. 2	<i>October 1, 2014</i>	New section

**AGE**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

**Explanation**

There is no fiscal impact to the Department of Public Health (DPH) from requiring a statement to be included in certain applications for licensure as applications are provided by DPH online.

**The Out Years**

**State Impact:** None

**Municipal Impact:** None

**OLR Bill Analysis****HB 5300*****AN ACT CONCERNING NURSING HOME NOTIFICATIONS.*****SUMMARY:**

This bill requires the Public Health Department (DPH) commissioner to prepare a written application form for changes in nursing home ownership that includes a specific statement notifying the potential nursing home licensee or owner that he or she may be held criminally liable for abuse or neglect of a resident by a nursing home employee.

It specifies that the statement does not expand or otherwise affect any existing legal liability of nursing home owners or licensees for the neglect or abuse of residents. It applies to:

1. nursing home licensees, owners, or officers, including directors, trustees, limited partners, managing partners, general partners, or anyone having at least a 10% ownership interest in the nursing home or the entity that owns it and
2. administrators, assistant administrators, medical directors, nursing directors, or assistant nursing directors.

EFFECTIVE DATE: October 1, 2014

**REQUIRED NOTICE**

The bill requires the following statement to be placed on the first page of the application:

“NOTICE: The State of Connecticut values the quality of care provided to all of our residents. Please know that any nursing home licensee, owner or officer, including, but not limited to, a director, trustee, limited partner, managing partner, general partner or any

person having at least a ten percent ownership interest in the nursing home or the entity that owns the nursing home, and any administrator, assistant administrator, medical director, director of nursing or assistant director of nursing, may be subject to civil and criminal liability, as well as administrative sanctions under applicable federal and state law, for the abuse or neglect of a resident of the nursing home perpetrated by an employee of the nursing home.”

## **BACKGROUND**

### ***DPH Applications for Nursing Home Ownership Changes***

By law, DPH must approve changes in nursing home ownership. The prospective owner’s or licensee’s written application must include whether the potential nursing home licensee or owner (1) has had civil penalties for nursing home violations imposed by DPH or another state during any two-year period or (2) received intermediate Medicare or Medicaid sanctions or had provider agreements for these programs terminated or not renewed. The law prohibits the DPH commissioner from approving an application to acquire a nursing home for a five-year period if any of these conditions are present, unless good cause is shown (CGS § 19a-528a).

### ***Evaluation Period for New Licensees***

If a person has not previously operated a nursing home in Connecticut, DPH can institute an “evaluation period” of up to five years from the time of initial licensure in order to assess the standard of care the nursing home provides. During this evaluation period, the person is prohibited from acquiring any additional nursing homes (CGS § 19a-493a).

## **COMMITTEE ACTION**

Aging Committee

Joint Favorable

Yea 12      Nay 0      (03/11/2014)